

YE - A-12 ESTABLISH RESERVE FOR DEFERRED RECEIVABLES FOR ABATEMENTS AND REIMBURSEMENTS

Source Document: Department Invoice

Module: General Ledger (GL)

Roles: GL Journal Processor
GL Journal Approver

YE - A-12 Establish Reserve for Deferred Receivables for Abatements and Reimbursements (cont'd)

Purpose: The A-12 entry establishes a reserve for accounts receivable abatements and reimbursements estimated to be uncollectible during the next fiscal year. Department will make an assessment of the outstanding accounts receivables that are deemed uncollectible.

The A-12 entry will be recorded in the general ledger module in Period 998 and reversed in the new fiscal year.

The year-end adjusting entries are as follows:

Debit 48xxxxx Reimbursements

Credit 1290000 Provision for Deferred Receivables^{1/}

Debit 51xxxxx Personal Services

Debit 53xxxxx Operating Expense and Equipment

Credit 1290000 Provision for Deferred Receivables^{1/}

^{1/}When posting to Account 1290000, click in the Alternate Account field and select an alternate account from the list of accounts. This information will be required to complete the year-end Subsidiaries on File report.

The **GL Journal Processor** will create a new GL Journal. Navigate to Create/Update Journal Entries (as shown below), then:

- 1 – Click the **Add a New Value** tab
- 2 – Enter your **Business Unit**
- 3 – Enter the **Journal Date**
- 4 – Click **Add**

The screenshot shows a web application interface for 'Create/Update Journal Entries'. The breadcrumb trail at the top is 'General Ledger > Journals > Journal Entry > Create/Update Journal Entries'. The main title is 'Create/Update Journal Entries'. Below the title, there are two tabs: 'Find an Existing Value' and 'Add a New Value'. The 'Add a New Value' tab is selected and highlighted with a red box, with a red '1' above it. Below the tabs, there are three input fields: 'Business Unit' with the value '1234' (highlighted with a red box and a red '2' to its left), 'Journal ID' with the value 'NEXT', and 'Journal Date' with the value '06/30/20XX' (highlighted with a red box and a red '3' to its left). At the bottom left, there is an 'Add' button (highlighted with a red box and a red '4' to its left). A calendar icon is visible next to the 'Journal Date' field.

YE - A-12 Establish Reserve for Deferred Receivables for Abatements and Reimbursements (cont'd)

The **GL Journal Processor** will create the Journal **Header**.

- 1 – Enter a **Long Description** of the A-9 Revenue Accrual
- 2 – **Ledger Group** will default to **MODACCRL**
- 3 – **Source** should be **ACC** (Accruals)
- 4 – Select **Adjusting Entry**
- 5 – Period should be **998**
- 6 – Click the **Lines** tab to enter journal lines.

6

Header | Lines | Totals | Errors | Approval

Unit 1234 Journal ID NEXT Date 06/30/20XX

1 Long Description A-12 Establish Reserve for Deferred Receivable Abatements and Reimbursements
144 characters remaining

2 *Ledger Group MODACCRL 4 Adjusting Entry Adjusting Entry

Ledger Fiscal Year 20XX

3 *Source ACC 5 Period 998

Reference Number ADB Date 06/30/20XX

Journal Class ☐ Auto Generate Lines

Transaction Code GL ☐ Save Journal Incomplete Status

SJE Type ☐ Autobalance on 0 Amount Line

Currency Defaults: USD / CRRNT / 1 ☐ CTA

Attachments (0)

Reversal: Do Not Generate Reversal Commitment Control

6 Save Notify Refresh

YE - A-12 Establish Reserve for Deferred Receivables for Abatements and Reimbursements (cont'd)

The **GL Journal Processor** will enter the Journal **Lines**.

- 1** – Enter DR Line: Approp Ref, Fund, ENY, Reimbursement Account 48XXXXXX, Amount
- 2** – Enter CR Line: Approp Ref, Fund, ENY, Provision for Deferred Receivables Account 1290000, Amount
- 3** – When posting to the Account 1290000, select an Alternate Account from the list of accounts.
- 4** – Review Budget Date to make sure it follows Enactment Year (ENY). If not, edit date

Header
Lines
Totals
Errors
Approval

Unit 1234

Journal ID NEXT

Date 06/30/20XX

Template List

Change Values

Inter/IntraUnit

*Process Edit Journal

Process

▼ Lines

4

3

Personalize | Find |

Select	Line	*Unit	*Ledger	Approp Ref	Fund	ENY	Budget Date	Account	Alt Acct	Amount
1 <input type="checkbox"/>	1	1234	MODACCRL	001	4321	20XX	06/30/20XX	4840000	0000000	1,400.00
2 <input type="checkbox"/>	2	1234	MODACCRL	001	4321	20XX	06/30/20XX	1290000	01312	-1,400.00

DR: 48XXXXXX Reimbursements
CR: 1290000 Provision for Deferred Receivables

DR: 51XXXXXX Personal Services
DR: 53XXXXXX Operating Expense and Equipment
CR: 1290000 Provision for Deferred Receivables

↓

Look Up
Clear
Cancel
Basic Lookup

Search Results

View 100 First 1-5 of 5 Last

Alternate Account	Description
0131000000	PROV FOR DEF REC-GENERAL
0131100000	PROV FOR DEF REC-ABATEMENTS
0131200000	PROV FOR DEF REC-REIMB
0131300000	PROV FOR DEF REC-REVENUE
0131900000	PROV FOR DEF REC-AR-OTHER

YE - A-12 Establish Reserve for Deferred Receivables for Abatements and Reimbursements (cont'd)

The **GL Journal Processor** will budget check the Journal Lines.

- 1 – Select **Edit Journal** from the Process drop down menu.
- 2 – Click **Process**
- 3 – **Budget Status** Valid “V”
- 4 – Select **Submit Journal** from the Process drop down menu for approval
- 5 – Click **Save**. The system will assign a Journal ID. Note the Journal ID on your source document for reference

Header
Lines
Totals
Errors
Approval

Unit 1234

Journal ID 0000487082

Date 06/30/20XX

Template List
Change Values

Inter/IntraUnit

1 *Process Edit Journal

2 Process

Lines

Select

Line

*Unit

*Ledger

Approp Ref

Fund

ENY

Budget Date

Account

Alt Acct

Amount

1

2

1234

1234

MODACCRL

MODACCRL

001

001

4321

4321

20XX

20XX

06/30/20XX

06/30/20XX

4840000

1290000

0000000

013120

1,400.00

-1,400.00

4 Submit Journal

Lines to add

1

+

-

Totals

Unit

Total Lines

Total Debits

Total Credits

Journal Status

Budget Status

1234

2

1,400.00

1,400.00

P

V

5 Save

Notify

Refresh

3

Prepared by Department of Finance, Fiscal Systems and Consulting Unit

6

Reversing Entries in the New Year

After the journal is approved and posted in Period 998, the **GL Journal Processor** will copy the journal to create the manual reversal entries in Period 1.

Accrual journal entries must be manually reversed in Period 1 of the new fiscal year.

Note:

- DO NOT use the “automated reversal” option. This method will create budget check errors in the new year.
- If the A-10 entry (Adjustment to Dishonored Checks) is posted, it will also be manually reversed with the A-12 in Period 1 of the new fiscal year.
- Year-End accrual entries in Period 998 and the reversal entries Period 1 should net to zero.

YE - A-12 Establish Reserve for Deferred Receivables for Abatements and Reimbursements (cont'd)

The **GL Journal Processor** will retrieve journal entry for reversal in the New Year. Navigate to Create/Update Journal Entries (as shown below), then:

- 1 – Click the **Find an Existing Value** tab
- 2 – Enter your **Business Unit**
- 3 – Enter your **Journal ID**
- 4 – Click **Search**
- 5 – Select **Journal ID**

General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Create/Update Journal Entries

Enter any information you have and click Search. Leave fields blank for a list of all values.

1 **Find an Existing Value** Add a New Value

▼ Search Criteria

2 Business Unit = 1234

3 Journal ID begins with 0000487082

Journal Date =

Document Sequence Number begins with

Line Business Unit =

Journal Header Status =

Budget Checking Header Status =

Source =

Message Code begins with

Entered By begins with

Attachment Exist =

☐ Case Sensitive

4 **Search** Clear Basic Search Save Search Criteria

Search Results

View All

Business Unit	Journal ID	Journal Date	UnPost Sequence	Document Sequence Number	Line Business Unit	Journal Header Status	Budget Checking Header Status
1234	0000487082	06/30/20XX	0	(blank)	8860	Posted	Valid

YE - A-12 Establish Reserve for Deferred Receivables for Abatements and Reimbursements (cont'd)

The **GL Journal Processor** will copy the journal lines.

- 1 – Select **Copy Journal** from the Process drop down menu.
- 2 – Click **Process**

General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | **Lines** | Totals | Errors | Approval

Unit 1234 Journal ID 0000487082 Date 06/30/20XX

Template List Change Values

Inter/IntraUnit 1 *Process Budget Check Journal 2 Process

Copy Journal

Select	Line	*Ledger	Approp Ref	Account	Alt Acct	Amount
<input type="checkbox"/>	1	MODACCRL	001	4840000	0000000	1,400.00
<input type="checkbox"/>	2	MODACCRL	001	1290000	0131100	-1,400.00

Lines to add 1 + -

YE - A-12 Establish Reserve for Deferred Receivables for Abatements and Reimbursements (cont'd)

The **GL Journal Processor** will edit the Journal Entry Copy Screen.

- 1** – **Journal Date:** 07/01/20XX (new fiscal year)
- 2** – Check **Reverse Signs**
- 3** – Click **OK**

Journal Entry Copy

Business Unit 1234 Copy From ID 0000487082 Copy From Date 06/30/20XX

Journal ID NEXT Ledger **2** ☒ **Reverse Signs**

1 Journal Date New Ledger ☐ Recalculate Budget Date

ADB Date Document Type ☐ Save Journal Incomplete Status

Currency Effective Date

Reversal Date

☒ Do Not Generate Reversal


☐ Beginning of Next Period


☐ End of Next Period

☐ Next Day

☐ Adjustment Period

☐ On Date Specified By User

Adjustment Period 

Reversal Date 

ADB Reversal Date

☒ Same As Journal Reversal

☐ On Date Specified By User

ADB Reversal Date

3

YE - A-12 Establish Reserve for Deferred Receivables for Abatements and Reimbursements (cont'd)

The **GL Journal Processor** will update the **Header** Page.

1 – Journal ID: A new number will be generated for this entry

2 – Long Description: Add 'REVERSE' A-12 Establish Reserve for Deferred Receivable Abatements and Reimbursements Accrual description to define the purpose

3 – Adjusting Entry: Select Non-Adjusting Entry

Caution: If “Adjusting Entry” is posted by mistake, delete the transaction and start over. Attempting to correct it with a Non-Adjusting Entry causes the transaction to post twice: in Period 998 (after the first budget check) and in Period 1 (after the second).

4 – Fiscal Year: 20XX and **Period:** 1

5 – Source: ACC (Transactions entered as ACC in 998, are reversed as ACC.)

Header	Lines	Totals	Errors	Approval
Unit 1234				
1 Journal ID		NEXT		
Date		07/01/20XX		
2 Long Description		Reverse JRNL 0000487082 (A-12 Establish Reserve for Deferred Receivable Abatements and Reimbursements) 130 characters remaining		
*Ledger Group		MODACCRL		
Ledger				
5 *Source		ACC		
Reference Number				
Journal Class				
Transaction Code		GL		
SJE Type				
3 Adjusting Entry		Non-Adjusting Entry		
4 Fiscal Year		20XX		
Period		1		
ADB Date		07/01/20XX		
		<input type="checkbox"/> Auto Generate Lines		
		<input type="checkbox"/> Save Journal Incomplete Status		
		<input type="checkbox"/> Autobalance on 0 Amount Line		

YE - A-12 Establish Reserve for Deferred Receivables for Abatements and Reimbursements (cont'd)

The **GL Journal Processor** will Edit and Post Journal.

- 1 – Verify Entries are reversed. The journal lines should be the same as the original accrual journal except the signs (+/-) are reversed for all the amounts. The “N/R” column should be checked.
- 2 – Review **Budget Date** to make sure it follows **Enactment Year (ENY)**. If not, edit date.
- 3 – *Process: Select **Edit Journal**
- 4 – Click **Process**
- 5 – The **Journal Status** and **Budget Status** should show **Valid “V”**
- 6 – Select **Submit Journal** from the Process drop down menu for approval
- 7 – Click **Save**.

After the journal is approved, journal will post overnight.

Header | **Lines** | Totals | Errors | Approval

Unit 1234 Journal ID 0000487088 Date 07/01/20XX ☐ Errors Only

Template List Search Criteria Change Values View Audit Logs

Inter/IntraUnit 3 *Process **Edit Journal** 4 **Process** Line 10

▼ **Lines** 6 **Submit Journal** Personalize | Find |

Select	Line	*Unit	*Ledger	Approp Ref	Fund	ENY	Budget Date	Account	Alt Acct	Amount	N/R
<input type="checkbox"/>	1	1234	MODACCRL	001	4321	20XX	06/30/20XX	4840000	0000000	-1,400.00	<input checked="" type="checkbox"/>
<input type="checkbox"/>	2	1234	MODACCRL	001	4321	20XX	06/30/20XX	1290000	0131100	1,400.00	<input checked="" type="checkbox"/>

Lines to add 1

▼ **Totals** Personalize | Find | View All | First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
1234	2	0.00	0.00	V	V

7 **Save**

Tips:

- Journal lines posted to Account 1290000 should have a value in the Alternate Account field selected from the list of accounts.
- Record **accrual** entries in **Period 998**, source of **ACC**, and entry of **Adjusting Entry**.
- Record **reversal** entries in **Period 1** of the new fiscal year, source of **ACC**, and entry of **Non-Adjusting Entry**.